



Annual Report 1952

January 28, 1953

To the Shareholders:

This is the 24th annual report of BancOhio Corporation. I am sure that you will be gratified to read of the progress your corporation has made in 1952. The financial statements contained herein have been examined by our auditors, Messrs. Price Waterhouse & Co.

The capital and surplus of BancOhio Corporation on December 31, 1952 totaled \$25,494,445.39 representing a book value of \$39.00 per share. The surplus account reflects the \$1,453,445.72 net increase within the year in the corporation's equitable ownership in the assets of affiliated banks, which represents their retained net earnings after dividend distributions.

The consolidated net income of the corporation and its affiliates for the year ending December 31, 1952, after all taxes, assessments, depreciation and reserve appropriations amounted to \$2,280,599.69 or \$3.49 per share on the capital stock of the corporation outstanding at the year end. Dividends aggregating \$1.10 per share were paid to shareholders in 1952.

The continuing growth of the banks affiliated with the corporation indicates to their managements the necessity of retaining a substantial part of their earnings as a means of supplementing capital funds. At the year end the combined resources of the 20 banks in the BancOhio group had reached a total in excess of one half billion dollars, \$512,886,566, an increase of \$44,628,209 from a year ago. At the last enumeration of account activity these banks were serving 352,311 customers, an increase of 20,206 from the 1951 year end totals. These figures do not include the 20,264 Christmas Club accounts that were on the banks' books.

Of course with the growth in the banks' resources, there has been an increase in their loan and bond accounts. As of December 31, 1952, total loans had reached \$127,306,291 and the bond accounts of the component banks, including Federal Reserve Bank stock, totaled \$265,413,941 and included \$206,528,082 in United States Treasury issues with an average maturity of two years and five months and an average first call maturity of one year and seven months. The account also includes \$55,088,041 of state and municipal bonds with an average maturity of four years and five months, and \$3,249,418 of other bonds composed of some Federal agency issues, Canadian Provincial and municipal bonds and several blocks of high grade railroad equipment obligations.

Some noteworthy events concerning several of the banks are recorded for shareholders' interest:

Toward the end of 1952 the Ohio National Bank was awarded the trusteeship of the \$326,000,000 Ohio Turnpike bond issue and for its servicing considerably enlarged the quarters of the Trust Department.

Our bank in Coshocton purchased the real estate mortgages of the Citizens Savings & Loan Company of that city, thereby adding over \$500,000 to its assets.

A new branch office building is being erected in the eastern section of the City of Springfield and upon its completion our bank in that city will be the second bank in our group to engage in branch banking.

The selection of a site in Pike County on which to build a billion dollar atomic energy plant has already considerably augmented the volume of business in our banks at Portsmouth and Chillicothe, which should continue to expand as the construction of the plant progresses.

At several places construction and remodeling had either started or been completed during the year, necessitated by expanding volume and should materially contribute to the convenience of customers.

We are all delighted at the growth in our bank at Whitehall, a suburb of Columbus. Commencing business on December 10, 1950, the bank's resources already exceed \$3,500,000.

Our Retirement Plan inaugurated two years ago was, at the year end, compensating twelve of our retired people. The cost to date has been \$13,202.73. The estimated cost for 1953 payments is \$8,679.

The tremendous industrial growth in many of our cities has contributed to a somewhat more than normal personnel turnover but this notwithstanding, and in spite of many perplexities, the 1250 people in our employ at the year's end have done a very commendable job. To all the directors and collective staffs we express our gratitude and appreciation.

In 1953 and in the years to come we shall continue the sound banking policies which have always guided our operations. Strong banks and a vigorous and growing economy are inseparable. We are proud of the part our banks are taking in the development of their communities.

Respectfully submitted,

James R. Coppins

James R. Coppins, President

PRICE WATERHOUSE & CO.

Union Commerce Building
Cleveland 14, Ohio

January 19, 1953

To the Board of Directors of
BancOhio Corporation.

We have examined the 1952 financial statements of BancOhio Corporation (parent company only). Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances; but, we did not examine the financial statements of the subsidiary banks. However, we reviewed the copies of the state and national bank examiners' 1952 reports presented to us; the reports indicated that all subsidiary banks were examined during 1952 by such examiners.

The investments in subsidiary banks are stated on the basis of the parent company's equity in the net assets of the banks as shown by their December 31, 1952 financial statements; the net increase in the investment account, resulting from such basis, is included in surplus. The financial statements of the banks were certified by responsible bank officials to be copies of the statements filed with either the Comptroller of the Currency or The Division of Banks of the State of Ohio.

Based on our examination described above, and with the explanation in the preceding paragraph as to the basis for stating the investments in the subsidiary banks, it is our opinion that the accompanying balance sheet and statements of income and surplus of the parent company—BancOhio Corporation—present fairly its position at December 31, 1952 and the results of its operations for 1952, in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.

BANCOHIO CORPORATION

(Parent Company Only)

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1952

Income:

Dividends from subsidiary banks.....	\$ 881,727.80
Other income (interest \$70,992.69).....	74,145.26
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	\$ 955,873.06

Expenses:

Salaries, sundry taxes, office fixtures and equipment and other operating expenses.....	\$ 471,807.98
Less—Service charges to subsidiary banks.....	404,800.00
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	\$ 67,007.98
Federal income taxes 1952—estimated.....	65,000.00
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	132,007.98
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Adjustments for prior years (including credit of \$5,000 from reduction of valuation allowance for receivable liquidated in 1952 and additional provision of \$1,977.58 for Federal income taxes)	\$ 823,865.08
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Net income, carried to surplus.....	3,288.89
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	\$ 827,153.97
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STATEMENT OF SURPLUS

YEAR ENDED DECEMBER 31, 1952

Balance at December 31, 1951.....	\$10,848,615.82
Adjustment (net) arising from changes in minority interests in subsidiary banks during 1952.....	11,932.71
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Net income in 1952, per above statement of income.....	\$ 827,153.97
Increase in 1952 in equity in net assets of subsidiary banks represented by equity in undistributed net income.....	1,453,445.72
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	2,280,599.69
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Cash dividends paid—\$1.10 per share.....	\$13,141,148.22
	718,957.80
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Balance at December 31, 1952 (see note to balance sheet).....	\$12,422,190.42
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THE BANCOHIO BANKS

SUMMARY OF COMBINED TOTAL NET ASSETS—AT DECEMBER 31, 1952

Assets:

Cash and due from banks (including \$2,791,170 due from BancOhio bank).....	\$115,705,078
U. S. Government bonds.....	206,528,082
State and Municipal bonds.....	55,088,041
Other bonds and securities.....	3,249,418
Stock in Federal Reserve Bank.....	548,400
Loans (less \$1,521,544 reserves for bad debts).....	127,306,291
Banking premises and equipment.....	4,461,256
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	\$512,886,566

Liabilities:

Demand deposits (including \$1,609,553 deposits of BancOhio banks and BancOhio Corporation).....	\$353,372,017
Time deposits.....	130,580,969
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	\$483,952,986
Interest, taxes, etc.....	2,483,513
Unearned income.....	2,316,738
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	\$488,753,237
Combined Total Net Assets.....	<hr/> \$ 24,133,329

SUMMARY OF CHANGES IN COMBINED TOTAL NET ASSETS—DURING 1952

Combined total net assets at December 31, 1951.....	\$ 22,646,759
Net income for 1952:	
Net operating income.....	\$2,308,283
Net amount of bond profits, reserve adjustments, recoveries & losses.....	80,787
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	2,389,070
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	\$ 25,035,829
Cash dividends paid (\$881,728 to BancOhio Corporation)	902,500
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Combined Total Net Assets at December 31, 1952.....	<hr/> \$ 24,133,329

THE BANCOHIO BANKS

DEPOSITS, CAPITAL AND SURPLUS, UNDIVIDED PROFITS AND CONTINGENT RESERVES — COMBINED — AT DECEMBER 31, 1952

	<u>Total Deposits</u>	<u>Net Assets</u>	<u>Capital and Surplus</u>	<u>Undivided Profits and Contingent Reserves</u>
OHIO NATIONAL BANK OF	\$310,162,967	\$12,933,250	\$10,000,000	\$2,933,250
FIRST NATIONAL BANK OF	6,102,679	386,348	320,000	66,348
FIRST NATIONAL BANK OF	14,241,144	802,827	600,000	202,827
SECOND NATIONAL BANK OF	2,950,236	325,438	250,000	75,438
FIRST NATIONAL BANK OF	14,535,717	897,442	700,000	197,442
FIRST NATIONAL BANK OF	10,295,874	645,784	450,000	195,784
HOCKING VALLEY NATIONAL BANK OF	9,502,301	560,298	425,000	135,298
FARMERS AND MERCHANTS BANK	5,959,042	411,331	275,000	136,331
FIRST NATIONAL BANK OF	5,667,977	415,034	275,000	140,034
FIRST NATIONAL BANK OF	5,185,795	317,889	225,000	92,889
KNOX COUNTY SAVINGS BANK	7,918,795	658,114	400,000	258,114
UNION LICKING BANK	10,122,769	656,396	500,000	156,396
PERRY COUNTY BANK	2,017,975	154,654	140,000	14,454
THE NATIONAL BANK OF	10,646,957	565,178	425,000	140,178
FIRST NATIONAL BANK OF	30,378,762	1,988,921	1,650,000	338,921
FIRST NATIONAL BANK OF	7,778,807	469,142	400,000	69,142
FIRST NATIONAL BANK OF	6,969,040	381,846	250,000	131,846
OHIO STATE BANK	3,321,326	204,454	150,000	54,454
FIRST NATIONAL BANK OF	5,046,717	383,704	240,000	143,704
CITIZENS NATIONAL BANK IN	15,148,106	975,479	800,000	175,479
Combined Totals	<u>\$483,952,986</u>	<u>\$24,133,329</u>	<u>\$18,475,000</u>	<u>\$5,658,329</u>
Less—Minority interests		532,424	411,029	121,395
BancOhio Corporation equity	<u>\$23,600,905</u>	<u>\$18,063,971</u>	<u>\$5,536,934</u>	

BANCOHIO CORPORATION
(Parent Company Only)
(An Ohio Corporation—Incorporated in 1929)

BALANCE SHEET **DECEMBER 31, 1952**

ASSETS

Deposits in banks (\$175,469.25 in subsidiary bank).....	\$ 184,650.50
U. S. Government securities, at cost (approximate market).....	1,416,829.30
Notes and accounts receivable (including \$182,060.74 from directors of subsidiary banks)— less \$85,000 valuation allowance.....	357,060.74
Investments in shares of subsidiary banks (acquired for BancOhio capital stock and cash)— stated on basis of equity in net assets of the banks at December 31, 1952.....	23,600,904.85
	<u><u>\$25,559,445.39</u></u>

LIABILITIES, CAPITAL AND SURPLUS

Federal income taxes—estimated.....	\$ 65,000.00
Capital stock—\$20 par value:	
Authorized—850,000 shares	
Issued—653,616.049 shares (less 2.94 shares in treasury at cost).....	13,072,254.97
Surplus (see note below), per statement attached	12,422,190.42
	<u><u>\$25,559,445.39</u></u>

Note:—

For the purpose of administering Section 5144, United States Revised Statutes, the Federal Reserve Board has accepted December 31, 1934, as a starting point for the determination of BancOhio Corporation earned surplus, as though there had been a quasi reorganization at that date. On that basis the total surplus account at December 31, 1952 would be segregated as follows:

Capital surplus (net).....	\$ 1,068,780.75
Surplus from increase in equity in net assets of the subsidiary banks—since December 31, 1934.....	9,674,821.08
Earned surplus—since December 31, 1934.....	1,678,588.59
	<u><u>\$12,422,190.42</u></u>